

AGNEW-SURPASS

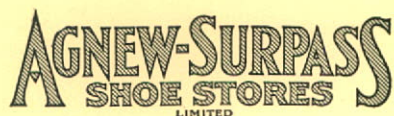
SHOE STORES
LIMITED

Annual Report 1935

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SEVENTH
Annual Report

TO THE SHAREHOLDERS

for the Fiscal Year ending

MAY 31st, 1935

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BRANTFORD, ONTARIO

CANADA

SEVENTH
ANNUAL REPORT OF THE DIRECTORS
of
AGNEW-SURPASS SHOE STORES
LIMITED

BRANTFORD, JULY 10TH, 1935

TO THE SHAREHOLDERS:—

Your Directors submit herewith Consolidated Balance Sheet as of May 31st, 1935 and Profit and Loss and Surplus Statement for the year ending that date, of Agnew-Surpass Shoe Stores, Limited and subsidiary.

Business continued to show a slight improvement over the previous year and Profits on the year's operations after providing for the usual depreciation on buildings, plant, fixtures and improvements to leasehold properties, and Government taxes showed a fairly satisfactory increase over the preceding year.

Sales amounted to \$2,357,600.37 (after eliminating sales from factory to store Company). Gross earnings were \$160,853.43 and after deducting \$49,635.69 to cover depreciation, Government Taxes and Directors' fees, there remained Net earnings for the year of \$111,217.74 to which there has been added Profit from the sale of investments and miscellaneous adjustments of \$11,880.83 leaving a Net earned surplus on the year's operations of \$123,098.57.

The full year's dividends have been paid on the Preferred stock and from the profits remaining, your Directors have declared dividends totalling forty cents per share to the Common Shareholders, together with a bonus of twenty cents per share, the dividend for the last half year and bonus being payable September 1st next, making sixty cents per share from the year's operations.

All properties of the Company have been maintained in an efficient condition, our working capital position being again further improved and it is due to this highly satisfactory liquid position of the Company that your Directors feel that a substantial portion of earnings may be safely distributed when earned, in the form of Dividends.

An additional 206 Preferred shares of the Company were purchased during the year making a total of 471 shares held by your subsidiary Company, thereby increasing the equity behind the Common stock to that extent and a saving of the amount necessary to pay dividends thereon.

Taxation is becoming a very serious problem due to the many and various taxation laws imposed by the different taxing authorities, Federal, Provincial and Municipal. The ever mounting burden of taxation, which must be added to legitimate expenses, is playing a regrettable part in raising operating costs of doing business.

The year we have now entered is not without its problems and difficulties. The Social and Industrial legislation, which has been enacted, may call for considerable readjustment to the new conditions imposed thereby, and appears bound to lead to a higher level of operating costs and the price of manufactured goods to the consumer.

One Store was closed and four new Stores opened during the year, making a total of sixty-three Stores in operation as of May 31st last, all of which are located in most of the principal cities and towns in Eastern Canada, a list showing the different locations being contained in this report and the co-operation of our shareholders in patronising the Stores of the Company for their footwear requirements will greatly assist the further development of the Company's business.

Your Directors again wish to record their thanks to department officials, store Managers and employees for their continued loyal support and interest in the affairs of the Company during the past year.

On behalf of the Board,

J. ELLIS WARRINGTON,

President.

AGNEW-SURPASS SHOE STORES AND SUBSIDIARIES

Consolidated Balance Sheet

ASSETS		
CURRENT ASSETS:		
Cash on hand and in banks.....	\$130,250.44	
Government and Government Guaranteed Bonds, at cost (market value, \$126,850.00).....	127,590.00	
Accounts and Bills Receivable, Trade.....	\$101,061.94	
Advances to Employees against Commissions, etc.....	2,275.41	
	\$103,337.35	
Less Reserve for Bad Debts.....	9,785.50	
		93,551.85
Merchandise Inventories, determined by physical stock-taking for subsidiary company and book inventories, periodically verified for stores and warehouses, and valued at the lower of cost or market, as certified by the management	895,747.64	
Prepaid Expenses and Accrued Revenue.....	8,512.15	
		\$1,255,652.08
LIFE INSURANCE, FIRE INSURANCE DEPOSITS, ETC.....		8,716.50
SUNDRY LOANS (NET).....		22,132.12
FIXED ASSETS: (at depreciated appraisal values per appraisals of Canadian Appraisal Company, Limited dated May 17th and 18th, 1928, plus sub- sequent additions at cost (except for Lasts, Dies and Patterns shown at nominal value):		
Land.....	76,020.00	
Buildings.....	\$199,548.86	
Plant, Machinery, etc.....	94,249.80	
Furniture and Fixtures.....	173,002.81	
Store Fronts on Leased Properties	18,110.69	
Automobile.....	1,430.00	
	486,342.16	
Less Reserve for Depreciation....	196,137.42	
		290,204.74
Lasts, Dies and Patterns (at nominal value).....	33,000.00	
		399,224.74
PATENTS UNDER LEASE AND PRODUCING REVENUE....		15,000.00
		<u>\$1,700,725.44</u>

Approved:

J. E. WARRINGTON FRANK BAUSLAUGH
Directors of Agnew-Surpass Shoe Stores, Limited.

SHOE STORES, LIMITED

TRADING COMPANY

Balance Sheet (as at May 31st, 1935)

LIABILITIES		
CURRENT LIABILITIES:		
Accounts and Bills Payable.....	\$74,257.62	
Accrued Wages and Expenses.....	38,006.06	
Provision for Taxes.....	30,926.33	
Dividends Payable.....	16,695.75	
		\$159,885.76
EQUITY OF MINORITY INTERESTS IN SUBSIDIARY COMPANY:		
(Shares owned by Directors as qualification).....		960.00
FIRE INSURANCE RESERVE.....		25,817.78
CAPITAL AND SURPLUS:		
Capital Stock:		
7% Cumulative Convertible Preferred:		
Authorized, 15,000 shares of \$100.00 each:		
Issued, 10,000 shares.....	\$1,000,000.00	
Less 471 shares held by subsidiary company.....	47,100.00	
		952,900.00
Common:		
Authorized, 135,000 shares of no par value:		
Issued, 80,000 shares.....	\$266,456.14	
Less 476 shares held by Subsidiary Company.....	1,585.41	
		264,870.73
Earned Surplus.....	\$296,291.17	
		1,514,061.90
CONTINGENT LIABILITY:		
Bills Receivable under discount.....	\$52,690.00	
		\$1,700,725.44

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the books of Agnew-Surpass Shoe Stores, Limited and its subsidiary company for the year ended May 31st, 1935, and have obtained all the information and explanations we have required. We certify that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of said companies, according to the best of our information and the explanations given us, and as shown by their books.

Toronto, July 10th, 1935.

THORNE, MULHOLLAND, HOWSON & McPHERSON,
Chartered Accountants.

AGNEW-SURPASS SHOE STORES, LIMITED

AND SUBSIDIARY COMPANY

Consolidated Profit and Loss and Surplus Account

(Year ended May 31st, 1935)

EARNED SURPLUS, BALANCE JUNE 1ST, 1934		\$273,311.18
Net Operating Profit, before undermentioned items..	\$153,667.72	
Add: Income from Investments.....	7,185.71	
		160,853.43
Deduct:		
Provision for Depreciation.....	\$28,962.97	
Provision for Government Taxes..	19,472.72	
Directors' Fees.....	1,200.00	
		49,635.69
NET EARNINGS FOR YEAR.....	111,217.74	
Add:		
Profit from Sale of Investments....	\$10,129.25	
Miscellaneous Adjustments.....	1,751.58	
		11,880.83
NET SURPLUS FOR YEAR.....		123,098.57
		396,409.75
Deduct:		
Dividends on Preferred Stock.....	70,000.00	
Dividends on Common Stock.....	32,000.00	
		102,000.00
Less Subsidiary Company's Portion.....	3,088.40	
		98,911.60
Additional Federal Income Tax, 1934 period. . .	1,206.98	
		100,118.58
EARNED SURPLUS, MAY 31ST, 1935.....		<u>\$296,291.17</u>

EXECUTIVE OFFICERS

✓

J. ELLIS WARRINGTON
President

FRANK BAUSLAUGH
Vice-President and General Manager

K. R. GILLELAN
Secretary-Treasurer

H. H. GIBAUT
Assistant Secretary-Treasurer

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BOARD OF DIRECTORS

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M. JOHN SHEEHY
JOHN BAUSLAUGH
HAROLD A. GREENE

RUSSELL D. BELL
J. ELLIS WARRINGTON
FRANK BAUSLAUGH

AGNEW-SURPASS SHOE STORES

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ONTARIO

BELLEVILLE	KITCHENER	STRATFORD
BRANTFORD	LEAMINGTON	SUDBURY
166 Colborne	LINDSAY	ST. CATHARINES
16 Market	LISTOWEL	ST. THOMAS
BROCKVILLE	LONDON	TORONTO
CHATHAM	MIDLAND	106 Yonge
COBOURG	NIAGARA FALLS	252 Yonge
CORNWALL	NORTH BAY	729 Yonge
DUNNVILLE	ORILLIA	2512 Yonge
GALT	OSHAWA	686 Danforth
GUELPH	OWEN SOUND	952 Bloor St. W.
HAMILTON	PETERBORO	2948 Dundas St. W.
71 King, E.	PORT COLBORNE	1232 St. Clair Ave. W.
13 Market Sq.	SARNIA	WALLACEBURG
272 Ottawa, N.	SAULT ST. MARIE	WELLAND
INGERSOLL	SIMCOE	WINDSOR
KINGSTON		359 Ouellette Ave.
		1410 Wyandotte St.
		WOODSTOCK

QUEBEC

MONTREAL	THREE RIVERS	QUEBEC
1111 St. Catherine W.		10 St. John

NEW BRUNSWICK

CAMPBELLTON
 FREDERICTON
 MONCTON
 SAINT JOHN
 677 Main
 187-189 Union
 ST. STEPHEN

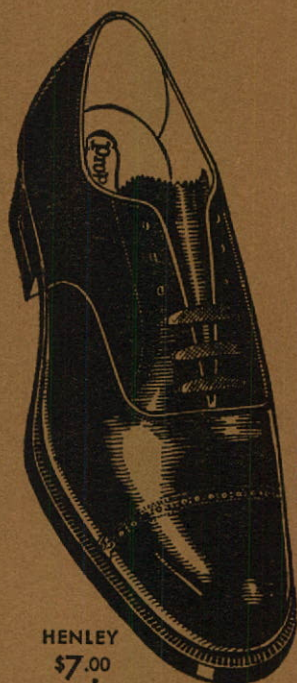
NOVA SCOTIA

AMHERST
 NEW GLASGOW
 TRURO
 WINDSOR
 YARMOUTH

PRINCE EDWARD ISLAND

CHARLOTTETOWN

Canada's Greatest Chain Shoe Stores



HENLEY
\$7.00
&
\$8.00



E A S E

those tired feet

SWING along with a lively, buoyant step. You've never felt anything like the comfort of PROP-R-ARCH Shoes. They are built to follow the contours of your foot and to protect the arch which gives spring to your step and balance to your whole body. No cramped bones and nerves. No "breaking in".

Prop-r-arch
SHOE
The JOHN RITCHIE CO. Limited
CANADA'S LARGEST MAKER OF MEN'S SHOES

AT ALL

AGNEW-SURPASS SHOE STORES